



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

LEP Review: Geography

Chris Brodie

28th September 2018





SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

“From my research SELEP seems to be ahead of the curve on governance, assurance and transparency issues; I’m therefore keen to talk about what others might be able to learn from your experience.”

Director, Centre for Public Scrutiny, 26th September





Main response

- NO CHANGE position based on the following principles:
 - SELEP will continue to operate a model rooted in the principle of subsidiarity;
 - that there is opportunity to seek further clarification from Government on the size of LEP Boards; and
 - that whilst a business majority for the Board is supported, we must maintain a balanced partnership position.



- Supportive of the removal of **overlaps**: Lewes and Uttlesford to be part of SELEP
- Acknowledgment of Coast to Capital LEP's position and indication that we will work positively with them and with Government whatever the final decision in respect of Lewes
- Recognition of the alignment of the alignment of the Cambridgeshire and Peterborough area to the MCA boundary and therefore the clear expectation that Uttlesford aligns with the Essex CC area and therefore SELEP.



- Agreement of a cut over for responsibilities and projects that are in flight in the overlap areas but led by the Cambridgeshire and Peterborough CA or Coast to Capital LEP
- Transfer of responsibilities by 31st March 2020.





SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Risks

- Lack of a decisive response on the overlap issue
- Lack of further clarification on the issues that the Board wish the Chairman to discuss with Government may put the no change position into jeopardy.





SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Sector Support Fund

Rhiannon Mort

SELEP Capital Programme Manager

Strategic Board

28th September 2018



Context

- SSF established to support the work of SELEP's working groups
 - £500,000 per year
 - £371,0000 allocated in 2017/18 (£129,000 unallocated)
 - Recommended that £129,000 allocated is made available in 2018/19, increasing the SSF available to £629,0000
 - Other projects to come forward for future Board meetings
- 



SSF investment in 2018/19

SSF annual allocation	£500,000
Projects Identified for investment in 2017/18	
SECEN Cultural Coasting Projects	£150,000
Tourism and SECEN Colours and Flavours	£60,000
North Kent Enterprise Zone	£161,000
Total SFF allocated in 2017/18	£371,000
SSF unallocated in 2017/18	£129,000



2018/19 SSF applications received to date (Total £422,400)

- **Kent Medical Campus Enterprise Zone** – Innovation Centre Design Work (£156,000)
- **Good Food Growth Campaign** (£60,400);
- **Future Proof: Accelerating Delivery of High Quality Development** across the LEP (£110,000)
- Planning and prioritising future **skills, training and business support needs for rural businesses** across SELEP (£96,000).

Independent assessment of each project has been completed

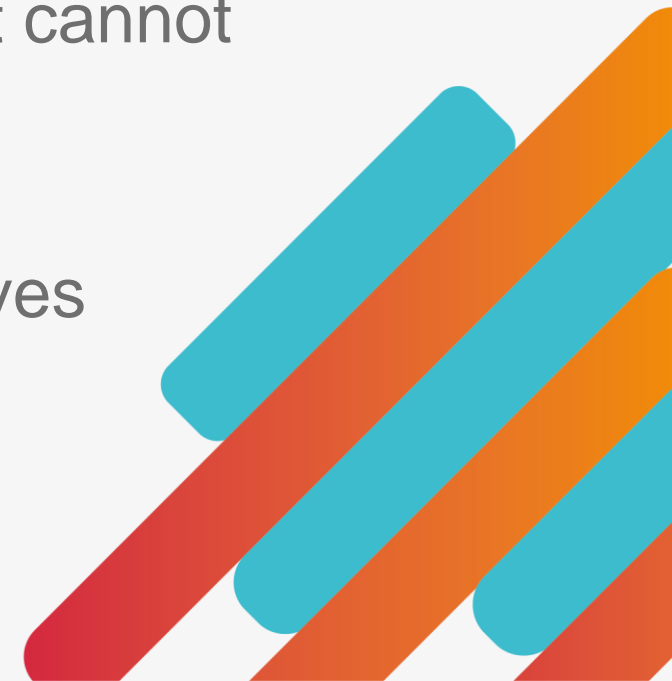


Kent Medical Campus Enterprise Zone – Innovation Centre Design Work

- £156,000 SSF, along with £104,000 contribution from Maidstone BC
- Design costs of an Innovation Centre
- Application for ERDF to deliver the Innovation Park, but cannot cover the design costs

Independent Assessment

- + Closely aligned with SEP and SELEPs Strategic Objectives
- + Match funding contributions
- Not Pan LEP



Good Food Growth Campaign

- £60,400 SSF, alongside in kind contributions from local partners
- Delivering a strategic approach to the sharing of knowledge, expertise and driving business development through;
 - Meet the Buyer, business to business event
 - Food and drink conference
 - Study of agri-food post Brexit

Independent Assessment

- + Pan LEP
- Requires Federated Board endorsement



Future Proof: Accelerating Delivery of High Quality Development across the LEP

- £110,000 SSF, alongside in kind contributions
- Development of a new financial product which will be applicable to developments across SELEP
- Case studies in Kent have been identified
- In partnership with Homes England

Independent Assessment

- + Supports SELEPs strategic objectives to accelerate housing delivery
- + Endorsed by Essex Business Board
- Case studies are both located in Kent, but the ‘financial product’ will be available to use across SELEP



Planning and prioritising future **skills, training and business support needs for rural businesses** across SELEP

- £96,000 SSF
- Evaluation of the skills offer across the rural sector to help target future skills delivery across:
 - **Agriculture**
 - **Food and drink - production and manufacture, and**
 - **Horticulture production**
- Involves a number of training, education and research organisations such as Plumpton College, Hadlow College, Writtle University and East Malling Research

Independent Assessment

- + Strong fit with skills and rural economy agenda





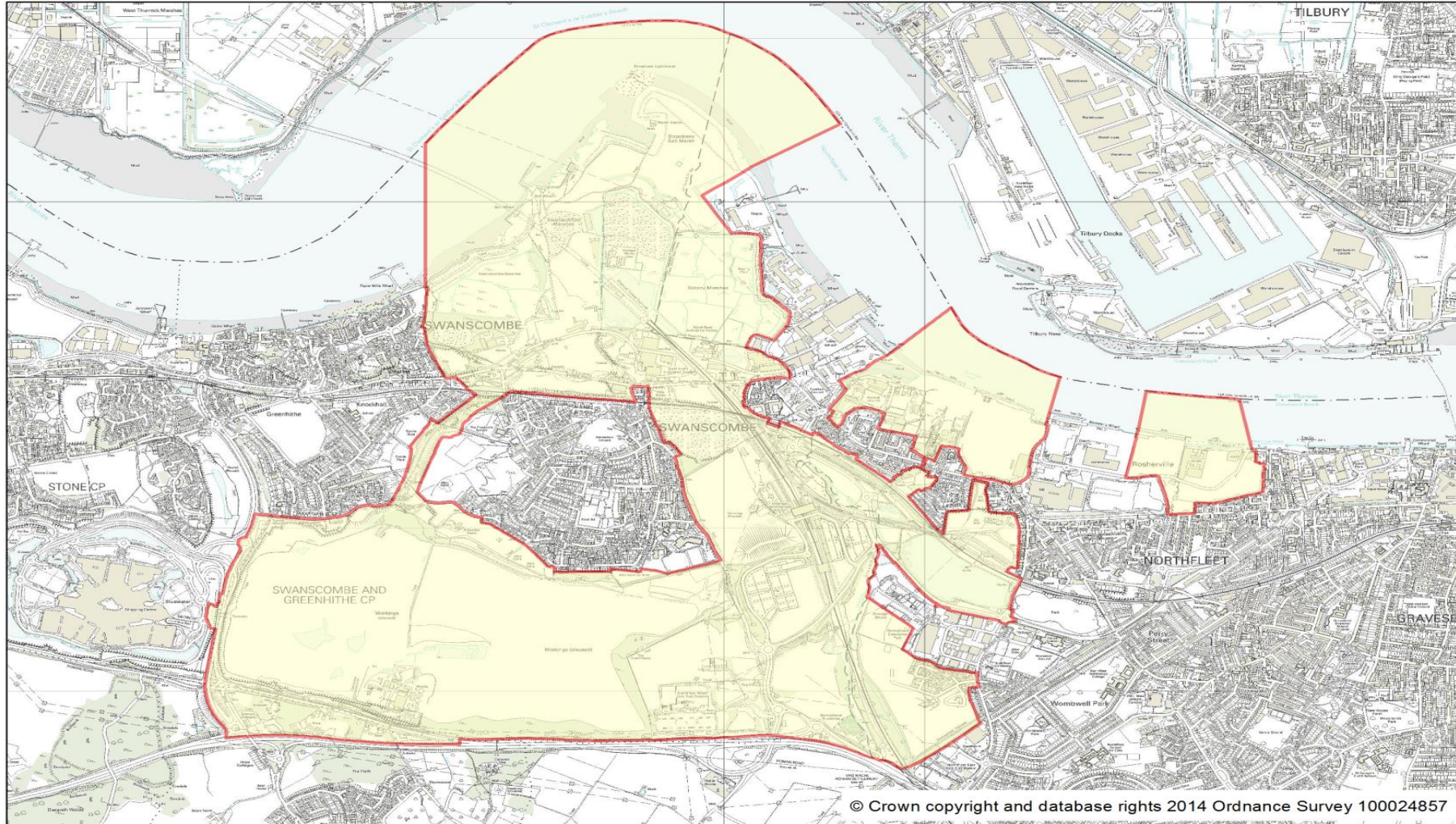
Development of the first Garden City for over 100 years

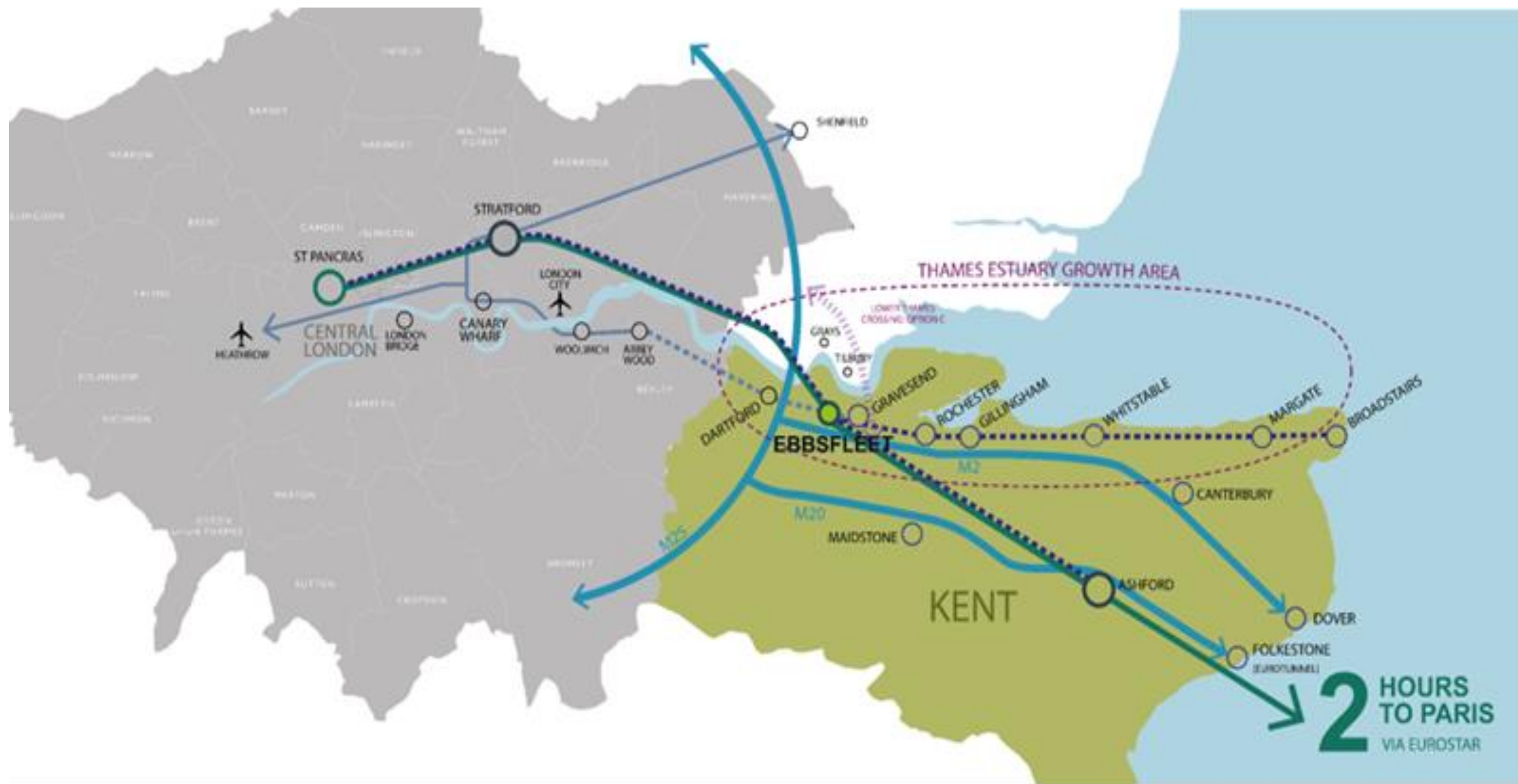
SELEP Board Meeting, 28 September 2018

Ian Piper, Chief Executive

Recap:

- EDC established April 2015 as a UDC
- c.£300m of capital funding through SR15
- Development management planning authority
- UDC area straddles Dartford and Gravesend Borough Councils





- **A unique landscape – gorges, bridges, tunnels and clefts connecting former quarries, in close proximity to established neighbouring communities**
- **Development proposals have been in the pipeline for over 20 years**
- **Outline planning permissions for over 10,000 new homes**
- **Until EDC was established only 298 homes had been built**



The Ambition...

- Building 15,000 new homes of all tenures... and a lot more;
- Seven new city parks and a network of green corridors;
- New public transport network;
- Major health and education campus;
- A vibrant new town centre built around Ebbsfleet International station;
- Three Enterprise Zone sites (as part of North Kent Enterprise Zone)



The challenge...

- A scarred landscape;
- Little or no infrastructure to support development;
- No land ownership for the Development Corporation;
- Significant congestion on strategic road network;
- Stalled development.



A masterplan emerges



Three years in: How are we doing?



- Over 1,100 homes completed
- Detailed planning permission for 2,466 homes
- On target for 525 new homes this year, over 700 next year and 1000 in 2020/21
- First new primary school open, two community centres, pub & hotel
- Work progressing to enable starts on two further community centres, sports pavilion, three primary schools, a secondary education campus and several 'village centres'
- Berkeley modular facility construction underway in the Enterprise Zone

Core Infrastructure

- Forward funding electricity capacity
- A2 junction upgrades
- Fastrack strategic bus network
- Springhead Bridge
- Green corridors



Building the 'Place'

- Connecting existing communities with new residents
- Curating Civic Life



Challenges ahead....

- **Delivering the Central Area;**
- **Swanscombe Peninsula – managing the uncertainty;**
- **Maintaining the pace of house building and improving design quality;**
- **Delivering the full extent of the Garden City ambition;**
- **Creating a lasting legacy – stewardship of the new City;**

Opportunities for Joint Working and Sharing Lessons Learned

Ian Piper

Chief Executive Officer, Ebbsfleet Development Corporation

ian.piper@ebbsfleetdc.org.uk



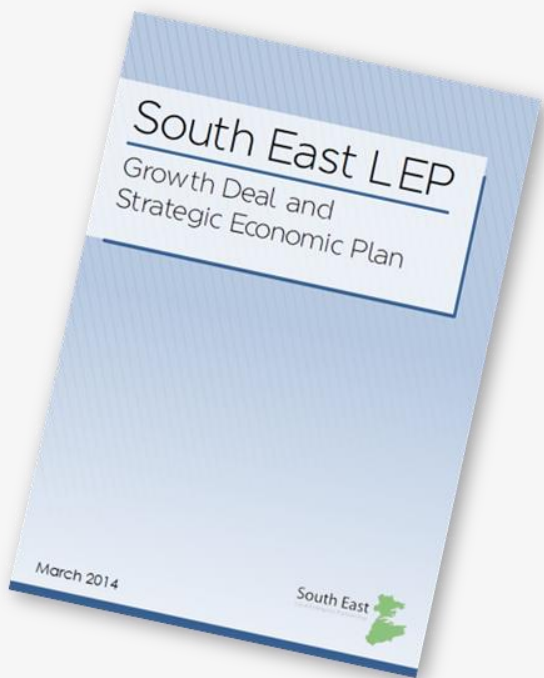
SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Completing the Strategic Economic Plan

Adam Bryan
Managing Director
Strategic Board
28 September 2018



Background: The journey so far...



- SELEP's first Strategic Economic Plan prepared in 2014 – unlocking £591 million Local Growth Fund investment and supporting over £160 million European funding
- Board commitment in 2017 to refresh the Plan, taking into account changed policy/ economic context
- 100+ consultation events and discussions during 2018
- Progress update to Board in June



Current phase: June to October

- Developing the revised draft:
 - Time-limited additional capacity to conclude the process...
 - ... building on consultation and engagement earlier in the year
 - ‘Light touch’ further round of consultation in each federated area underway
 - Refresh of the evidence base and review of the changed context
 - Aim of a new draft by the end of October





The role of the refreshed strategy...

- Providing a **clear, current and strategic** statement of the shared economic priorities of the South East LEP
- Putting South East LEP partners in a strong position to **respond to the national policy landscape...** while recognising that this is still evolving and **we will need to be pragmatic and flexible**
- Identifying the **areas on which SELEP as a partnership should focus** over the medium term
- Supporting, informing and reflecting the **priorities of each federated area**



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

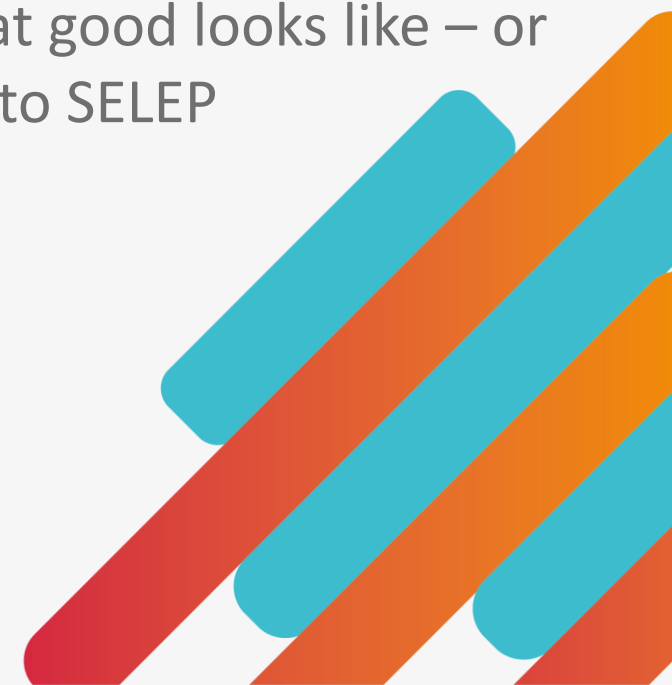


Our challenge for the draft:

Setting a clear direction of travel that aligns with national strategy – but retains flexibility and focuses on our priorities

... in a changing policy context

- Industrial Strategy focus on “creating and economy that boosts productivity and earning power throughout the UK”
- Commitment to Local Industrial Strategies, and some underway....
- but still not clear what good looks like – or how these will apply to SELEP



Emerging themes

- Discussed in earlier consultation, and currently being tested:

Smarter


How do we drive innovation, increase technology adoption and create the skills and capabilities that we need to respond to the 'grand challenges' and thrive in a competitive, digitally enabled world?

Faster

How do we secure the infrastructure we need to support a growing and changing population – and the demands of an evolving economy, and how do we drive the pace and quality of housing delivery?

Together

How do we ensure that everyone contributes to and benefits from productivity growth - and how do we build a strategy that is relevant and widely owned?

- **Concise:** No more than 30 pages
 - **Strategic:** Can't contain every locally-important investment - but it should provide a context for local priorities and it must align with existing/ emerging federated and local strategies
 - **Informed by evidence:** Consolidated evidence base document underway
 - **Informed by local policy choice,** reflecting earlier and current rounds of consultation
 - **Flexible for the future:** recognising that Government policy and strategy is evolving
- 



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

LGF Capital Programme Management

Rhiannon Mort

Capital Programme Manager

28th September 2018

SELEP Strategic Board



LGF 3B

Stage 1 – Expressions of Interest (EoI)

- Endorsed by Federated Boards

Stage 2 – Scheme Prioritisation

- Investment Panel

Stage 3 – SELEP Accountability Board funding decision



Projects submitted to EoI stage

Federated Area	Number of Bids	Total LGF ask (£m)
Essex Business Board	13	34.824
Opportunity South Essex	21	39.268
Kent and Medway Economic Partnership	45	112.662
Team East Sussex	20	30.726
Total	99	217.480



Investment Panel Membership

Members, as agreed in June 2018	Count
Strategic Board Chair	1
County Council/ Unitary Authorities	6
Private Sector representatives from TES	2
Private Sector representatives from KMEP	2
Private Sector representatives from across OSE and EBB	2
Potential Additional Members	
Higher Education (private)	1
Further Education (public)	1
Total	15

Investment Panel to meet on the 7th December 12:30 – 14:30



Agree to one of the following options:

- **Agree** the inclusion of Higher Education and Further Education Strategic Board Members on the Investment Panel, as set out in section 9.5 of the report; or
- **Defer** the decision until the October Board meeting, to be considered as part of the wider review of SELEP's governance arrangements



Additional recommendation from KMEP

KMEP agreed the principle that

*“LGF **existing schemes** seeking a change in scope are **prioritised ahead** of new expressions of interest seeking LGF3b funding, in order to safeguard the investment made to date and to prevent abortive costs”.*

Accountability Board - 14th September 2018

- **Southend Airport Business Park** (remaining £14.575m, increasing the total allocation to £23.090m)
- **Leigh Flood Storage Area (£2.349m)**











2017/18 financial update

2017/18 Financial Update

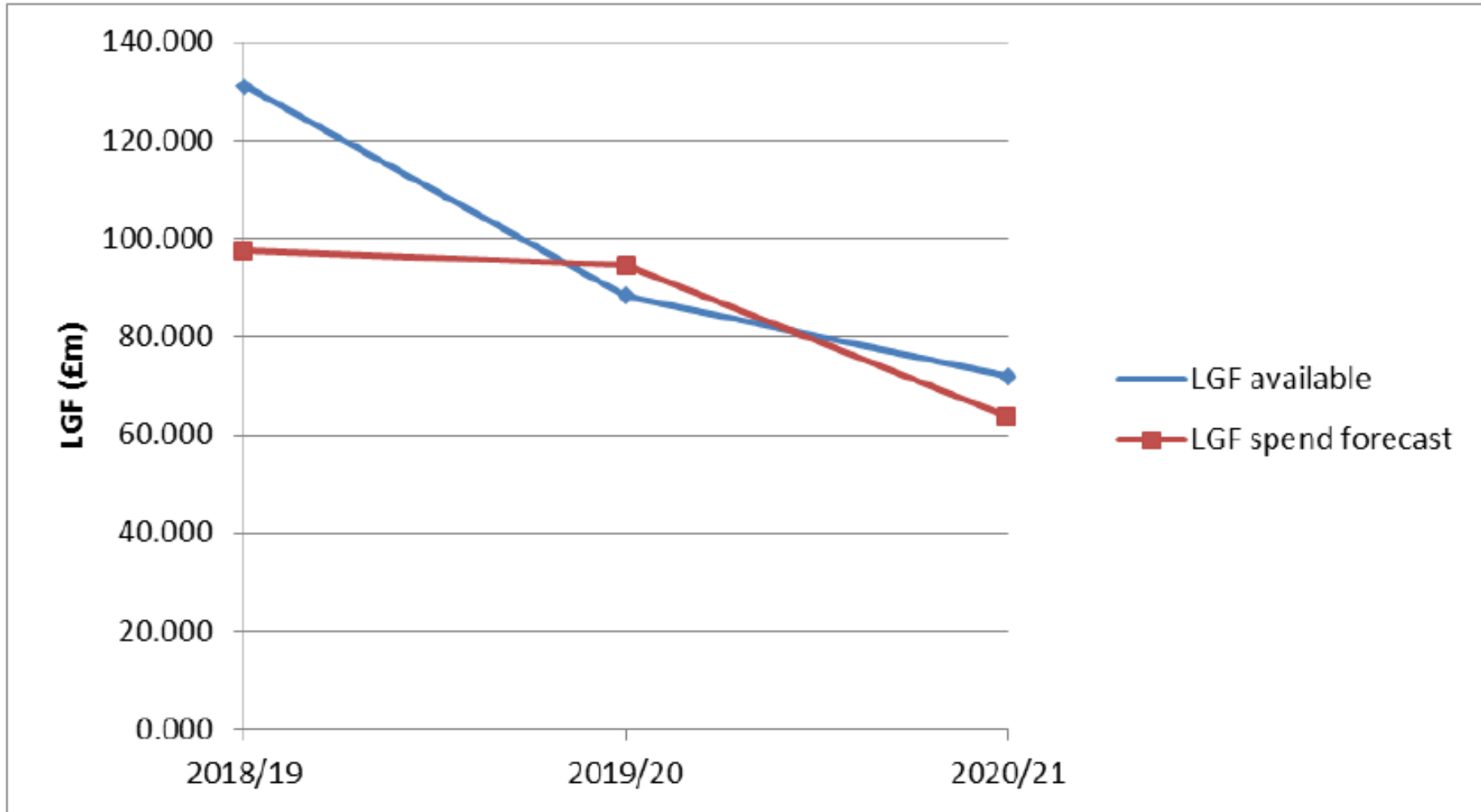
	Planned spend in 2017/18 (as restated in September 2017)	Total actual spend in 2017/18 (actuals - as reported in August 2018)	Variance*	Spend relative to planned spend in 2017/18 (%)
East Sussex	26.219	22.680	-3.539	86.50%
Essex	17.867	17.345	-0.522	97.08%
Kent	32.236	18.388	-13.848	57.04%
Medway	12.299	4.429	-7.870	36.01%
Southend	13.508	3.159	-10.349	23.39%
Thurrock	12.293	4.960	-7.333	40.35%
Skills	0.096	0.071	-0.025	73.58%
M20 Junction 10a	8.300	8.300	0.000	100.00%
LGF Sub-Total	122.817	79.332	-43.485	
Retained	31.126	15.130	-15.996	
Total Spend Forecast	153.943	94.462	-59.481	

2017/18 LGF slippage

	(£m)
LGF allocation in 2017/18 from CLG	92.088
LGF carried forward from 2016/17	26.428
Total LGF available in 2017/18	118.516
Total LGF spend in 2017/18	79.332
Total slippage from 2017/18 to 2018/19	39.185



LGF available v LGF spend forecast



Indicative LGF profile from Central Government

£m	2015/15	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Actual spend or current spend forecast	55.562	69.730	79.332	97.450	94.380	63.551	460.005
LGF allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	468.335
LGF allocation b/fwd from earlier years		13.888	26.428	39.185	33.474	-5.991	
Total grant funding in year	69.450	96.158	118.516	130.923	88.389	71.882	468.335
Over/(under) allocation		26.428	39.185	33.474	-5.991	8.330	



2018/19 planned LGF spend

LGF (£m)				Reasons for Variance	
	Updated planned spend in 2018/19 (as stated in March 2018 and 2017/18 slippage identified since end of the financial year)	Total forecast spend in 2018/19 (as reported in August 2018)	Variance*	Additional spend/slippage identified for 2018/19 **	Slippage previous agreed by the Board **
East Sussex	16.650	15.663	-0.988	-0.988	0.000
Essex	18.654	18.506	-0.148	0.866	-1.014
Kent	24.867	21.978	-2.889	0.357	-3.245
Medway	16.755	12.840	-3.915	-0.427	-3.488
Southend	17.573	6.121	-11.452	-7.825	-3.627
Thurrock	13.647	10.942	-2.705	0.000	-2.705
Skills	0.000	0.000	0.000	0.000	0.000
M20 Junction 10a	11.400	11.400	0.000	0.000	0.000
LGF Sub-Total	119.546	97.450	-22.096	-8.017	-14.079
Retained	35.454	19.010	-16.444	0.000	-16.444
Total Spend Forecast	154.999	116.459	-38.540	-8.017	-14.079



Project Risk and Deliverability

Score	Delivery	Financials	Reputational	Overall
5	11	5	2	4
4	10	10	3	13
3	17	13	15	20
2	13	19	15	20
1	46	50	62	40
Total	97	97	97	97

High Risk Projects

- Beaulieu Park
- A28 Chart Road
- Maidstone Integrated Transport Package
- Thanet Parkway



LGF Programme Risks

- LGF spend within Growth Deal period
- LGF slippage between financial years
- Availability of LGF to align with spend profile
- Governments commitment to future years of the LGF programme
- Evidenced delivery of project outputs and outcomes
- Total project cost escalation



Summary

- £49.210million Growing Places Fund (GPF)
- 28 GPF projects, including 8 new GPF projects
- Cash flow risk of £425,691 in 2019/20





Growing Places Fund

£	2018/19	2019/20
GFP available at the outset of year	6,747,602	4,021,309
GFP Round 1 planned investments	363,000	1,200,000
GFP Round 2 planned investments	4,697,000	3,247,000
Position before GFP repayments are made	1,687,602	-425,691
GFP repayments expected	2,333,707	10,175,309
Carry Forward	4,021,309	9,749,618

Priory Quarter Repayment Schedule (£000)

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Schedule in Loan Agreement	400	400	400	400	5,400	7,000
Amended schedule, agreed in March 2017	65	65	735	735	5,400	7,000
Proposed updated repayment Schedule, September 2018	65	65	211	211	6,448	7,000
Movement between March 2017 and September 2018 profile	0	0	-525	-524	1,048	0

Consider and note the updated repayment schedule for the Priory Quarter Phase 3 project and that a decision on this will be taken to the next meeting of the Accountability Board in November 2018.



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

EnergySouth2East

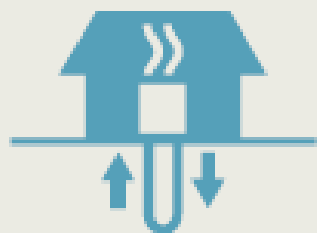
Update on the Local Energy Strategy and Action Plan

Jo Simmons
ERDF Facilitator, South East LEP

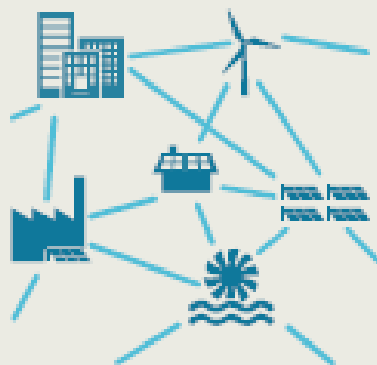


SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

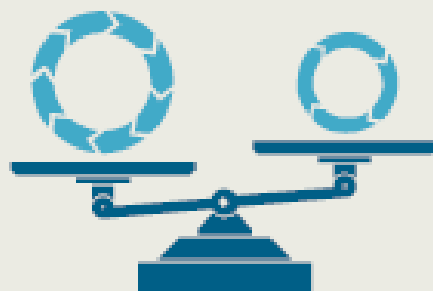
EnergySouth2East - towards a low carbon economy



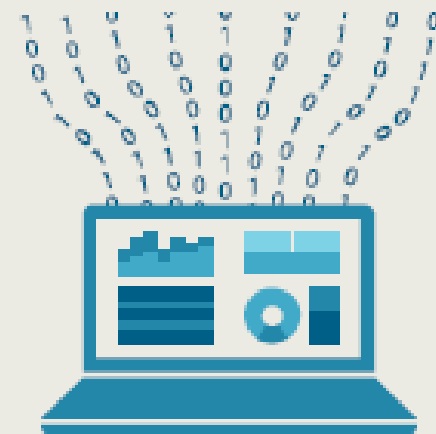
**Heat networks
and a move away
from oil**



**Big push on
renewables and
biofuels**



**Industrial and
domestic energy
efficiency**



**Smart energy
systems like
batteries**



**Enabling a
transport
revolution**

Targeted non-technological interventions that drive further increases in efficiency, capacity, resilience and quality of life

The Project Model approach:

- Project pipeline for upscaling
- Locally identified and supported
- Short and medium term projects
- Meeting BEIS expectations



Eighteen Project Models

#1 District Heat Networks	#10 SME Support Programme
#2 Off-gas grid homes	#11 New housing smart microgrids
#3 Hydrogen injection into the Natural Gas grid	#12 EV charging & hydrogen-fuelling infrastructure
#4 Offshore wind development	#13 CNG fleet fuelling
#5 Solar and microgrid on closed landfills	#14 Ports - modernisation of port energy infrastructures
#6 Biomass fuel supply chain development	#15 Setup of ESCO / MUSCO infrastructure
#7 Solar energy for Network Rail	#16 New-build homes on hydrogen grid
#8 Car parks - solar potential	#17 Biofuel evolution
#9 Energy Efficiency in homes	#18 Support developments in CO2 capture



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

EnergySouth2East - towards a low carbon economy

Multiple locations, South East

- Extend LOCASE 2 so it covers entire Tri-LEP area
- Proposal to remove grant cap and enable large businesses to access funding
- Proven to reduce emissions and support growth in the low carbon economy

LOCASE

LOW CARBON ACROSS
THE SOUTH EAST

£8m

Estimated annual
cost to support
programme

0%

Loans to businesses to pay for
energy efficiency measures included
in our proposal

Smart Energy Intervention: Micro grid on new build estate



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

SIEMENS
Ingenuity for life

- Smart micro grid with advanced software that monitors and manages generation and demand
- Flexible generation of electricity, heat and cold
- Long-term revenue for council (or housing developer) and model for new garden communities

100%

Energy value
retained locally

Higher

Penetration of renewable energy
sources



Transport Intervention: CNG for Refuse Collection Vehicles



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

SIEMENS

Ingenuity for life



Multiple locations, South East

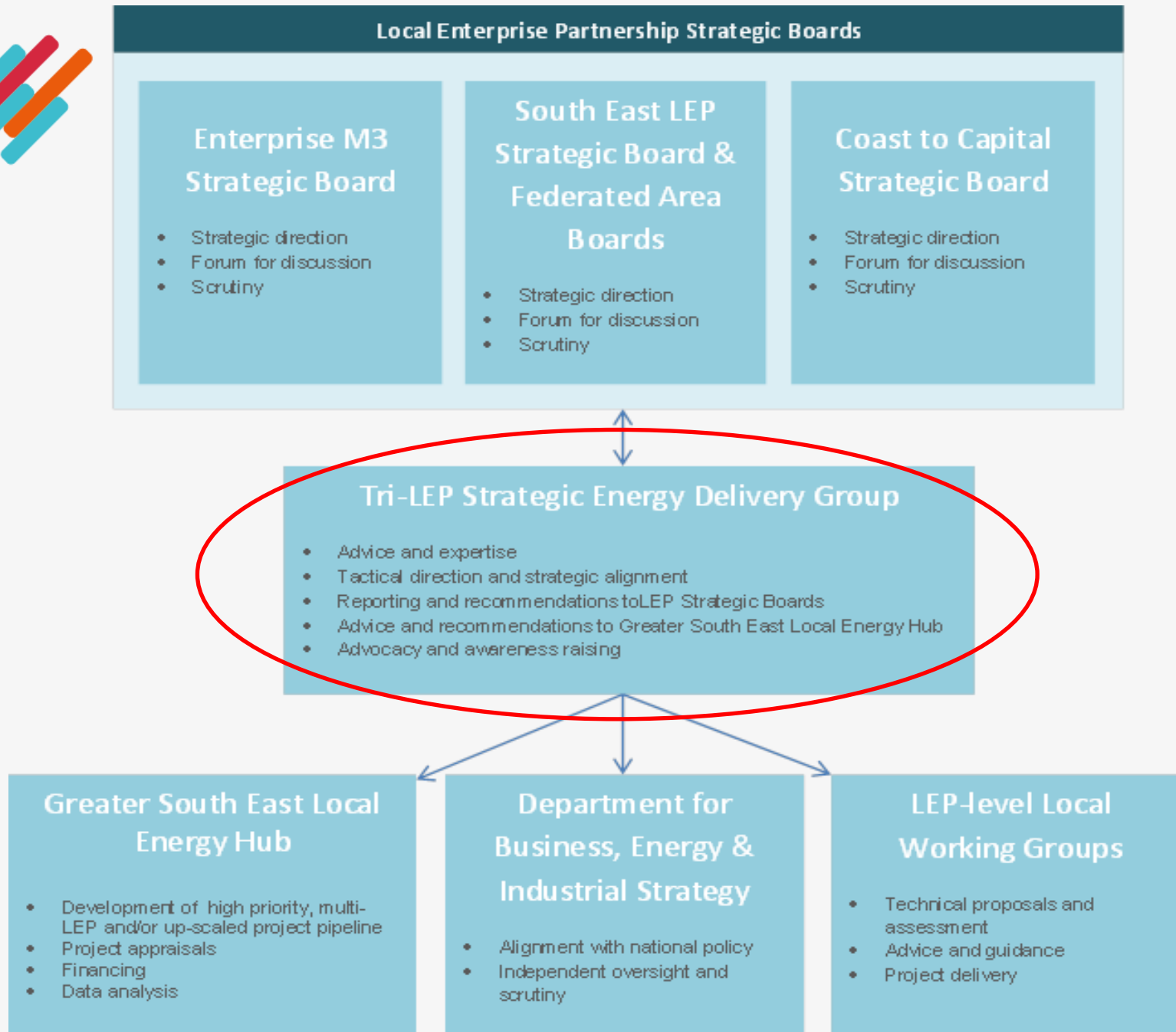
- Convert council refuse fleet to CNG and build fueling stations at council refuse depots
- Cost: £200k per depot. £150k per vehicle.
- Technology already proven and used in places like Sheffield, Madrid, .

30%

Saving in cost per
mile travelled

95%

CO₂e saving compared to diesel
when using Bio-Methane



Proposed Governance Structure



Projections for clean growth through to 2032:

- £13,255,000,000 invested
- 75,652 jobs created
- 497 kt carbon reductions
- 1130 GWh local energy produced



Dates	Activity
Now – 5 October	Final revision of draft Strategy and Action Plan
8 – 19 October	Consultation with Coast to Capital, Enterprise M3 and SELEP Strategic Boards and SELEP Federated Area Boards
22 October – 9 November	Strategy and Action Plan finalised following consultation
November - January	Final Strategy to Strategic Boards for endorsement: <ul style="list-style-type: none"> - EM3 - 22 November 2018 - SELEP - 7 December 2018 - Coast to Capital – late-January 2019
2019 onwards	Development and implementation of a detailed delivery plan